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UNCLAS KINSHASA 002021

SIPDIS

SENSITIVE

DEPT FOR OPIC/CDUFFY

E.O. 12958: N/A

TAGS: [EINV](#) [ECON](#) [ELTN](#) [CG](#) [OPIC](#)

SUBJECT: EMBASSY COMMENTS ON NO.1 CONTRACTING OPIC APPLICATION

[1](#)1. (U) Sensitive but Unclassified. Privileged business information.

[1](#)2. (SBU) Embassy Kinshasa has reviewed the application that No.1 Contracting and Franoza Trucking have submitted to OPIC for political risk investment insurance on a performance bond. Post believes that there are no current political or economic difficulties associated with either the company or the project. No.1 Contracting will be providing construction services for two World Bank funded infrastructure repair and development projects. Funding is guaranteed. DRC treatment of foreign contractors varies, however, the bid and contracting process for such projects is carried out according to World Bank norms. Once commencing the project, the contractor will likely encounter some bureaucratic delays possibly related to licensing and authorization, taxes, and/or relationships with local officials. Logistical difficulties (e.g. consistent supply of gasoline, cement, etc.) will further complicate project success.

[1](#)3. (SBU) The following responds to specific questions in OPIC's memo to Post:

- a. Post does not foresee any negative public or host government sentiment toward the projects.
- b. The projects are unlikely to have negative impacts on U.S. policy and interests in the DRC.
- c. Post has no knowledge of accusations of improprieties on the part of No.1 Contracting.
- d. Post does not believe that the projects could potentially result in serious adverse environmental effects beyond those normally encountered in heavy construction projects.
- e. These projects fall under the World Bank's Emergency Multisectoral Reconstruction and Rehabilitation Plan. Hence, they are not in conflict with the DRC's economic objectives and welfare.
- f. Post is unaware of potential uneconomic use of raw materials or labor.
- g. These projects will not have an adverse affect on the DRC's balance of payments. The whole of funding is provided by the World Bank.

[1](#)4. (U) Please direct questions regarding OPIC applications that need Embassy Kinshasa assistance to Peter Newman. IVG: 934-2234, Cell: (243) 81-700-4428, Email: NewmanPD@state.gov MEECE